MACC
MANITOBA AGRICULTURAL CREDIT CORPORATION

Manitoba
Agriculture

Annual Report
1990 - 91

Manitoba
Agricultural Credit
Corporation

Includes 10% post-consumer waste

92-06245/

Minister of
Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
George Johnson
Lieutenant-Governor of Manitoba

Your Honour:

I have the honour to submit herewith the Report of the Manitoba Agricultural Credit Corporation for the period April 1st, 1990 to March 31, 1991.

Your obedient servant,

Glen Findlay

Glen M. Findlay
Minister of Agriculture

MACC
MANITOBA AGRICULTURAL CREDIT CORPORATION

7th FLOOR – 125 GARRY STREET
WINNIPEG, MANITOBA
R3C 3P2

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Manitoba
Agriculture

Honourable Glen M. Findlay
Minister of Agriculture
165 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Findlay:

I have the honour to herewith submit the Annual Report of The Manitoba Agricultural Credit Corporation and the Financial Statements for the fiscal year ending March 31, 1991.

Yours respectfully,

Robert E. Manns
Chairman
Manitoba Agricultural
Credit Corporation

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The Manitoba Agricultural Credit Corporation

Board of Directors

Robert E. Manns	Chairman
Grant Fotheringham	Vice-chairman
Morris Butcher Q.C.	Board Member (to December 30, 1990)
Fred Betcher	Board Member
Gail Watson	Board Member
Patricia Barry	Secretary

Officers

Neil A. Potter	General Manager (to November 30, 1990)
J. David Bilsland, C.A.	Director, Finance and Administration
I. Harder	Director, Credit Administration
Edwin R. Poore	Director, Program Planning, Development and Evaluation
Albert W. Todosichuk	Director, Field Operations
Ty Aho	Director, Fishermen's Loans
David I. Victor, Q.C.	Legal Counsel

Financing of the Corporation

Beginning in 1959, its first year of operation, the Corporation has borrowed its capital requirements from the Province of Manitoba. The capital funds at that time remained with the Corporation to be re-used for lending purposes and the interest charges on this debt was paid annually to the Province.

In 1977, arrangements were made to repay these capital funds together with fixed interest charges over an amortization period as consistent as possible with the term over which these funds were loaned to farmers. Subsequent capital advance requirements and terms of repayment are determined annually based on the lending activity of the Corporation for that year. Because of the "open" nature of its loans to farmers, the Corporation is also allowed to make prepayments on the capital advances to the extent of the prepayments received from its clients.

Financial Statements

Balance Sheet

Deficit Account

Fiscal 1985-86 brought about a change in the method of funding provided for the Corporation's operations by the Province. This change eliminated any further funding of the Corporation's allowance for doubtful accounts and required a return to the Province of funds provided for this allowance prior to March 31, 1985. During 1987-88, the same change was made to the operating funding under the Fisheries Act.

Because of this funding change, the Corporation continues to operate from an accumulated deficit position of $4,313,337 in the farm program, which is essentially comprised of the allowance for doubtful accounts total of $7,038,770 at March 31, 1991, less the reserve for working capital and other provisions in the amount of $2,725,433.

Similarly, the Fish Program accumulated deficit of $443,125 is comprised of the allowance for doubtful accounts of $447,943 less the reserve for working capital and other provisions in the amount of $4,818.

Statement of Revenue and Expenditure

The net costs of operation of the Corporation were $8,502,140 (expenditures of $30,580,706 less revenue of $22,078,566) in 1991 as compared with $9,172,213 (expenditures of $30,939,221 less revenue of $21,767,008) in the previous fiscal year, the net decrease being primarily in bad debt costs.

To offset these net costs of operation, the Province provided $11,609,973 ($7,446,593 from appropriations of the Department of Agriculture and $4,163,380 from the Department of Finance valuation account) resulting in an operating excess of revenue over expenditures of $3,107,833 for 1991. In the Fishermen's Loans Program, the net costs of operation of $725,228 (expenditures of $1,720,368 less interest revenue of $995,140) were offset by funding of $696,964 ($661,376 from appropriations of the Department of Natural Resources and $35,588 from the Department of Finance valuation account) resulting in an operating excess of expenditure over revenue of $28,264 as compared with an excess of expenditure over revenue of $16,547 for the previous fiscal year.

Operations Review

Active MACC Accounts
As At March 31, 1991

1.	Direct Loans	6,116
2.	Mortgage Purchase Accounts	234
3.	Corporate and Co-operative Loan Accounts	56
4.	Crown Land Purchase Accounts	97
5.	Stocker Accounts (includes 10 Manual Stocker Loans)	171
6.	Manitoba Beef Stabilization Accounts	15
7.	Refinancing Program – Regular	172
8.	Refinancing Program – Corporate	8
9.	Manitoba Mediation Board Loans	59
10.	Part-time Farmer Accounts	82
	Ex-Part-time Farmer Accounts	18
11.	Manitoba Interest Rate Relief Accounts	572
12.	Beef Producers Income Assurance Plan Accounts	–
13.	Guaranteed Loan Accounts	645
14.	Long Term Lease Accounts and Agreement for Sale	74
15.	Short Term Lease Accounts	278
16.	Farm Diversification Loan Accounts	106
17.	Emergency Fodder Loan Accounts	–
18.	Livestock Grant Accounts	3
19.	Disaster Relief Accounts	5
20.	FarmStart Program Accounts	1
21.	Fish Farm Loan Accounts	2
22.	Fishermen's Loan Accounts	1,218
	Total:	9,932

Loan Activity

During the 1990-91 fiscal year, the Corporation's agricultural lending activities totalled $63,822,555,a decrease of $7,834,480 from the previous year's total of $71,657,035.

As detailed in the Summary of Activity on Page 12 of this report, there was a decrease in Direct Loans and Guaranteed Loans. This was partially offset by significant increases in the Stocker Loans and Corporate Loans along with minor increases in other lending programs including Part-Time Farmers, Refinancing and the Mediation Board. The Enhanced Young Farmer Rebate and the Guaranteed Operating Loan Programs continue to be well received by the Manitoba Farming Communities.

Program Descriptions:

Direct Loans

From its inception in July 1978, the current Direct Loan Program has generated a volume of $281.9 million with $174.9 million of this amount used for the purchase of farm land.

Of the $26.5 million in direct loans during 1990-91, 68% was used to purchase land, 25% for debt consolidation, 3% for permanent improvements, with the remaining 4% for equipment, livestock and other purposes. Young farmers were recipients of 97% of the direct loan volume.

Refinancing Program

This program, which was introduced during 1985-86, will provide a total of $20.0 million in loans to farmers or corporate farms which are in financial difficulty at a subsidized interest rate of 9 3/4% for the first five years of the loan. After expiry of the first five year term, the interest rate will be the Corporation's regular lending rate at the time the loan was made. During 1987-88, loan assistance to clients of the Manitoba Mediation Board was extended under this subsidized program.

Activity under this program for 1990-91 amounted to 5 approvals under the regular program totalling $533,916 and 9 approvals under the Mediation Board loan program of $494,655, bringing total approvals to March 31, 1991 to $13,908,529 for the regular program, $1,691,337 for the corporate program and $3,085,320 for the Mediation Board loans. A balance of $1,314,814 of the $20.0 million is still available for subsidized loans under this program.

Part-Time Farmer Program

This program was also introduced in the 1985-86 fiscal year to provide loans at regular lending rates to part-time farmers who intend to become principally occupied in farming within ten years.

Loan approvals for 1990-91 under the Part-time Farmer Program totalled $918,400 for 24 loans. To date, 78 loans have been approved for a total doliar value of $3,624,200.

Corporate and Co-operative Loans

Eight new loans totalling $1,053,762 were approved under this program for 1990-91.

From the inception of this program in July 1978, a total of 40 loans with a dollar value or $5,594,655 have been approved.

Stocker Program

The Stocker Program was designed to provide cattle inventory financing to qualified livestock producers and was introduced on July 9, 1975 by the Corporation. During 1990-91, there were 154 loan approvals totalling $5,675,783. From inception of this program to March 31, 1991, a total of 1,416 loans have been approved with a value of $34,903,237.

Crown Land Loans

During 1980-81, the program was introduced to provide mortgage funds to lessees of Crown Lands to purchase the leased land from the Province. Total volume under this program to March 31, 1991 has been 152 loans for $2,009,789.

Manitoba Interest Rate Relief Program

This program was introduced during 1981-82 to provide direct assistance for Manitoba farmers in financial difficulty due to high interest rates and to provide financial counselling through the Department of Agriculture. Total payments to date have amounted to $12,153,444.

The program is now in the collection phase with no new applications being accepted by the Corporation.

FarmStart Program

This program was introduced late in fiscal 1986-87. The program is designed to facilitate land purchases by beginning farmers by providing a guarantee to the retiring vendor of the property who in turn provides a loan at a subsidized interest rate to the purchaser.

One guarantee in the amount of $25,000 was approved in 1987-88.

Guaranteed Operating Loan Program:

On April 1, 1983, the Corporation's Guaranteed Operating Loan Program was introduced. Under this program, the Corporation guarantees 12.5% of the aggregate total guaranteed to each participating lending institution. The program carries a maximum of $200,000 per loan and a $100,000,000 aggregate total to all participating lending institutions.

During 1990-91, 404 loans totalling $26,602,500 were approved.

Land Lease Program

In October 1977, the Corporation discontinued accepting applications for sale of land to the Corporation for leasing purposes. Under the program, the Corporation had acquired a total of 223,600 acres at a cost of $22.6 million.

During 1990-91, 17 sales were made to lessees under the terms of the purchase option clause in the lease agreement. Twenty-three other sales were made by public tender.

Fish Farming Loans

This program was introduced in late 1987-88 and was established to provide agricultural loans to finance the commercial raising of freshwater fish (Aquaculture) in either land locked dugouts and ponds or tanks. During 1990-91, one loan for $25,000 was approved under this program. To date, two loans have been approved for a total dollar value of $113,650.

Fishermen's Loans

During the year, the Corporation approved 874 loans totalling $2,907,286. Total loans from inception of this program in 1969 have been $41,408,388 for 3798 clients. A very high percentage of these fishermen are returning for supplemental loans every one or two years, indicating the success of the program in providing the revolving credit needs of Manitoba's commercial fishermen.

Fishermen's Loan Approvals – Total Province

For Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
Number	1046	953	1053	1136	874
$ Amount	3,492,234	3,485,032	3,918,693	4,587,004	2,907,286

MACC Summary of Activity

(Compared with Previous Fiscal Year)

	1989-90		1990-91	
	Number	Amount	Number	Amount
Direct Loans	475	27,948,470	458	26,490,704
Corporate & Co-operative Loans	6	381,862	8	1,053,762
Stocker Loans	111	3,622,504	154	5,675,783
Crown Land Loans	6	42,610	–	–
Manitoba Beef Stabilization Loans	6	175,600	–	–
Refinancing Program – Regular	3	437,992	5	533,916
– Corporate	–	–	–	–
Manitoba Mediation Board	3	149,500	9	494,655
FarmStart	–	–	–	–
Part-time Farmers	18	837,750	24	918,400
Fish Farms	–	–	1	25,000
TOTAL	628	33,596,288	659	35,192,220
Guaranteed Loans	522	34,109,300	404	26,602,500
Land Sales	99	3,951,447	60	2,027,835
TOTAL	1249	71,657,035	1123	63,822,555
Fishermen's Loans Administered by MACC for Department of Natural Resources	1136	4,587,004	874	2,907,286
TOTAL	2385	76,244,039	1997	66,729,841

Table I

Approved Direct Loans by Purposes

Percentage Comparison

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91	1990-91
	%	%	%	%	%	Amount
Purchase of Land by Borrower	64	67	84	77	68	17,976,179
Permanent Improvements, Buildings	4	6	5	3	3	808,099
Permanent Improvements, Land	–	–	–	–	–	5,200
Consolidation of Debts	28	22	10	17	25	6,737,221
Purchase of Livestock	3	4	1	2	3	739,120
Purchase of Equipment	–	–	–	–	–	25,000
Other Purposes	1	1	–	1	1	199,885
TOTAL	100	100	100	100	100	26,490,704

Table II

Approved Direct Loans by Age Groups

Percentage Comparison

For the Five Years Ended March 31, 1991

	*Young Farmers					Others					Totals				
	1986-87	1987-88	1988-89	1989-90	1990-91	1986-87	1987-88	1988-89	1989-90	1990-91	1986-87	1987-88	1988-89	1989-90	1990-91
New Loans															
Number	247	157	210	321	302	5	11	10	15	12	252	168	220	336	314
%	98%	93%	95%	96%	96%	2%	7%	5%	4%	4%					
$ Amount	16,935,559	8,907,898	11,416,242	21,389,425	19,360,606	449,300	588,329	559,250	811,400	684,819	17,384,859	9,496,227	11,975,492	22,200,825	20,045,425
%	97%	94%	95%	96%	97%	3%	6%	5%	4%	3%					
Average	68,565	56,738,	54,363	66,634	64,102	89,860	53,485	55,925	54,093	57,068	68,988	56,526	54,434	66,074	63,839
Additional Loans															
Number	66	42	59	134	134	4	3	3	5	10	70	45	62	139	144
%	94%	93%	95%	96%	93%	6%	7%	5%	4%	7%					
$ Amount	3,108,058	1,967,577	2,187,422	5,619,295	6,009,629	186,050	129,764	127,150	128,350	435,650	3,294,108	2,097,341	2,314,572	5,747,645	6,445,279
%	94%	94%	95%	98%	93%	6%	6%	5%	2%	7%					
Average	47,092	46,847	37,075	41,935,	44,848	46,512,	43,255	42,383	25,670	43,565	47,059	46,608	37,332	41,350	44,759
Total															
Number	313	199	269	455	436	9	14	13	20	22	322	213	282	475	458
%	97%	93%	95%	96%	95%	3%	7%	5%	4%	5%					
$ Amount	20,043,617	10,875,475	13,603,664	27,008,720	25,370,235	635,350	718,093	686,400	939,750	1,120,469	20,678,967	11,593,568	14,290,064	27,948,470	26,490,704
%	97%	94%	95%	97%	96%	3%	6%	5%	3%	4%					
Average	64,037	54,651	50,571	59,360	58,189	70,594	51,292	52,800	46,987	50,930	64,220	54,430	50,674	58,839	57,840

*Young Farmers are those 18 to 39 years of age.

Table III

Summary of Programs

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
DIRECT LOANS					
No.	322	213	282	475	458
$ Amount	20,678,967	11,593,568	14,290,064	27,948,470	26,490,704
CORPORATE LOANS					
No.	4	–	3	6	8
$ Amount	987,188	(4,650)	393,779	381,862	1,053,762
CROWN LAND LOANS					
No.	7	3	1	6	–
$ Amount	102,110	21,150	11,070	42,610	–
STOCKER LOANS					
No.	132	89	83	111	154
$ Amount	4,075,439	3,426,905	2,568,734	3,622,504	5,675,783
MAN. BEEF STABILIZATION LOANS					
No.	200	91	69	6	–
$ Amount	3,041,666	1,503,905	1,293,800	175,600	–
REFINANCING PROGRAM					
REGULAR					
No.	33	9	13	3	5
$ Amount	4,008,446	706,050	1,209,162	437,992	533,916
CORPORATE					
No.	2	–	–	–	–
$ Amount	462,407	–	–	–	–
MANITOBA MEDIATION BOARD					
No.	–	8	11	3	9
$ Amount	–	805,450	866,981	149,500	494,655
FARM START					
No.	–	1	–	–	–
$ Amount	–	25,000	–	–	–
PART TIME FARMERS					
No.	17	8	11	18	24
$ Amount	1,083,600	394,200	515,900	837,750	918,400
MAN. INTEREST RATE RELIEF LOANS					
1st Yr. No.	–	–	–	–	–
$ Amount	379	–	–	–	–
2nd Yr. No.	5	–	–	–	–
$ Amount	36,303	–	–	–	–
GUARANTEED LOANS					
– Guaranteed Operating new program Approvals					
No.	–	–	14	277	162
$ Amount	–	–	1,010,000	11,555,500	5,597,000
Transfers					
No.	–	–	98	245	242
$ Amount	–	–	6,762,800	22,553,800	21,005,500
– Guaranteed Operating to Dec./88					
Initial Approvals					
No.	100	99	52	–	–
$ Amount	5,146,000	5,155,000	2,773,500	–	–
Repeat Approvals					
No.	390	447	248	–	–
$ Amount	25,627,500	29,491,500	15,754,500	–	–
LAND SALES					
No.	18	16	91	99	60
$ Amount	1,128,406	757,132	4,058,476	3,951,447	2,027,835
FISH FARM					
No.	–	–	1	–	1
$ Amount	–	–	88,650	–	25,000
TOTAL					
No.	1,230	984	977	1,249	1,123
$ Amount	66,378,411	53,830,210	51,597,326	71,657,035	63,822,555

Table IV

Summary of Programs

Interlake Region

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
DIRECT LOANS					
No.	43	27	24	49	46
$ Amount	2,194,650	1,437,509	1,284,104	2,994,850	2,162,219
CORPORATE LOANS					
No.	1	–	1	–	2
$ Amount	154,600	–	152,000	–	314,600
CROWN LAND LOANS					
No.	2	2	1	3	–
$ Amount	37,450	13,790	11,070	20,890	–
STOCKER LOANS					
No.	15	15	8	17	28
$ Amount	507,120	495,557	114,588	474,592	1,076,467
MAN. BEEF STABILIZATION LOANS					
No.	24	15	12	–	–
$ Amount	463,052	291,900	284,700	–	–
REFINANCING PROGRAM					
REGULAR					
No.	7	1	–	–	–
$ Amount	691,015	130,200	–	–	–
CORPORATE					
No.	1	–	–	–	–
$ Amount	216,407	–	–	–	–
MANITOBA MEDIATION BOARD					
No.	–	–	–	–	1
$ Amount	–	–	–	–	11,594
PART TIME FARMERS					
No.	5	1	4	2	7
$ Amount	249,050	87,000	181,250	87,800	247,800
MAN. INTEREST RATE RELIEF LOANS					
No.	1	–	–	–	–
$ Amount	6,218	–	–	–	–
GUARANTEED LOANS					
– Guaranteed Operating new program Approvals					
No.	–	–	–	4	8
$ Amount	–	–	–	390,000	260,000
Transfers					
No.	–	–	4	27	12
$ Amount	–	–	385,800	1,759,500	1,059,000
– Guaranteed Operating to Dec./88					
Initial Approvals					
No.	9	6	3	–	–
$ Amount	365,000	217,000	85,000	–	–
Repeat Approvals					
No.	28	33	26	–	–
$ Amount	1,743,000	1,896,000	1,446,000	–	–
LAND SALES					
No.	2	3	7	7	11
$ Amount	99,437	138,600	210,001	339,642	450,540
LAND PURCHASES					
No.	–	–	–	–	–
$ Amount	–	–	–	–	–
TOTAL					
No.	138	103	90	109	115
$ Amount	5,726,999	4,707,556	4,154,513	6,067,274	5,582,220

Table V

Summary of Programs

Eastern Region

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
DIRECT LOANS					
No.	42	23	19	23	42
$ Amount	3,504,668	1,497,513	1,284,043	1,804,400	3,607,900
CORPORATE LOANS					
No.	1	–	–	3	–
$ Amount	200,000	–	–	318,400	–
CROWN LAND LOANS					
No.	1	1	–	1	–
$ Amount	6,920	7,360	–	7,500	–
STOCKER LOANS					
No.	10	5	5	2	4
$ Amount	288,250	184,075	211,021	98,490	138,716
MAN. BEEF STABILIZATION LOANS					
No.	10	7	2	–	–
$ Amount	75,590	114,900	21,000	–	–
REFINANCING PROGRAM					
REGULAR					
No.	1	1	1	–	1
$ Amount	182,337	123,500	63,540	–	148,000
CORPORATE					
No.	–	–	–	–	–
$ Amount	–	–	–	–	–
MANITOBA MEDIATION BOARD					
No.	–	–	1	–	1
$ Amount	–	–	25,000	4,500	67,132
PART TIME FARMERS					
No.	1	3	–	–	2
$ Amount	46,800	168,550	–	–	148,450
MAN. INTEREST RATE RELIEF LOANS					
No.	–	–	–	–	–
$ Amount	–	–	–	–	–
GUARANTEED LOANS					
– Guaranteed Operating new program Approvals					
No.	–	–	1	8	4
$ Amount	–	–	25,000	439,000	75,000
Transfers					
No.	–	–	1	16	8
$ Amount	–	–	90,000	873,000	636,000
– Guaranteed Operating to Dec./88 Initial Approvals					
No.	4	4	5	–	–
$ Amount	98,000	215,000	225,000	–	–
Repeat Approvals					
No.	19	16	10	–	–
$ Amount	1,275,000	869,000	500,000	–	–
LAND SALES					
No.	4	2	15	13	10
$ Amount	321,100	122,998	776,439	308,222	172,194
FISH FARM					
No.	–	–	1	–	1
$ Amount	–	–	88,650	–	25,000
TOTAL					
No.	93	62	61	66	73
$ Amount	5,998,665	3,302,896	3,360,293	3,853,512	5,018,392

Table VI

Summary of Programs

Central Region

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
DIRECT LOANS					
No.	57	31	41	82	122
$ Amount	3,888,045	1,637,572	2,398,680	6,024,007	8,724,398
CORPORATE LOANS					
No.	–	–	–	2	3
$ Amount	(412)	(4,650)	(3,221)	106,477	422,700
CROWN LAND LOANS					
No.	–	–	–	–	–
$ Amount	–	–	–	–	–
STOCKER LOANS					
No.	26	24	25	21	27
$ Amount	1,025,656	1,125,113	1,045,836	899,468	960,935
MAN. BEEF STABILIZATION LOANS					
No.	43	16	14	2	–
$ Amount	614,627	286,600	272,800	45,000	–
REFINANCING PROGRAM REGULAR					
No.	2	–	1	–	–
$ Amount	233,000	–	173,000	–	–
MANITOBA MEDIATION BOARD					
No.	–	1	4	–	3
$ Amount	–	110,000	358,553	–	205,729
PART TIME FARMERS					
No.	6	–	–	–	1
$ Amount	373,700	–	–	–	54,000
MAN. INTEREST RATE RELIEF LOANS					
No.	2	–	–	–	–
$ Amount	10,642	–	–	–	–
GUARANTEED LOANS					
– Guaranteed Operating new program Approvals					
No.	–	–	4	36	26
$ Amount	–	–	270,000	2,225,000	995,000
Transfers					
No.	–	–	42	118	78
$ Amount	–	–	2,857,000	8,940,000	6,591,500
– Guaranteed Operating to Dec./88 Initial Approvals					
No.	34,	46	15	–	–
$ Amount	1,810,000	2,777,000	790,000	–	–
Repeat Approvals					
No.	94	135	77	–	–
$ Amount	7,180,000	10,196,000	5,732,500	–	–
LAND SALES					
No.	2	2	16	14	5
$ Amount	86,836	72,753	1,076,116	593,172	119,425
TOTAL					
No.	266	255	239	275	265
$ Amount	15,222,094	16,200,388	14,971,264	18,833,124	18,073,687

Table VII

Summary of Programs

South Western Region

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
DIRECT LOANS					
No.	125	79	131	207	166
$ Amount	8,165,989	4,476,386	6,477,846	12,174,113	8,645,227
CORPORATE LOANS					
No.	2	–	–	2	1
$ Amount	633,000	–	–	141,985	200,000
CROWN LAND LOANS					
No.	1	–	–	–	–
$ Amount	21,070	–	–	–	–
STOCKER LOANS					
No.	65	31	35	48	69
$ Amount	1,803,621	1,152,968	915,206	1,608,190	2,588,520
MAN. BEEF STABILIZATION LOANS					
No.	61	33	16	1	–
$ Amount	1,074,897	508,905	371,800	29,600	–
REFINANCING PROGRAM REGULAR					
No.	18	6	9	2	2
$ Amount	2,214,522	380,150	837,022	282,000	229,000
CORPORATE					
No.	–	–	–	–	–
$ Amount	–	–	–	–	–
MANITOBA MEDIATION BOARD					
No.	–	4	4	1	4
$ Amount	–	359,600	309,892	40,000	210,200
PART TIME FARMERS					
No.	5	4	7	14	10
$ Amount	414,050	93,650	334,650	638,450	346,150
MAN. INTEREST RATE RELIEF LOANS					
No.	1	–	–	–	–
$ Amount	12,762	–	–	–	–
GUARANTEED LOANS					
– Guaranteed Operating new program Approvals					
No.	–	–	4	89	111
$ Amount	–	–	235,000	5,122,800	3,913,500
Transfers					
No.	–	–	31	161	118
$ Amount	–	–	2,208,000	9,853,000	10,360,500
– Guaranteed Operating to Dec./88					
Initial Approvals					
No.	42	37	23	–	–
$ Amount	2,275,000	1,707,000	1,268,500	–	–
Repeat Approvals					
No.	170	198	103	–	–
$ Amount	10,218,000	12,467,000	6,410,500	–	–
LAND SALES					
No.	5	5	38	47	22
$ Amount	512,000	210,991	1,379,767	2,108,826	965,345
TOTAL					
No.	495	397	401	572	503
$ Amount	27,344,911	21,356,650	20,748,183	31,998,964	27,458,442

Table VIII

Summary of Programs

North Western Region

For the Five Years Ended March 31, 1991

	1986-87	1987-88	1988-89	1989-90	1990-91
DIRECT LOANS					
No.	55	53	67	114	82
$ Amount	2,925,615	2,544,488	2,845,391	4,951,100	3,350,960
CORPORATE LOANS					
No.	–	–	2	(1)	2
$ Amount	–	–	245,000	(185,000)	116,462
CROWN LAND LOANS					
No.	3	–	–	2	–
$ Amount	36,670	–	–	14,220	–
STOCKER LOANS					
No.	16	14	10	23	26
$ Amount	450,792	469,192	282,083	541,764	911,145
MAN. BEEF STABILIZATION LOANS					
No.	62	20	25	3	–
$ Amount	813 500	301,600	343,500	101,000	–
REFINANCING PROGRAM					
REGULAR					
No.	5	1	2	1	2
$ Amount	687,572	72,200	135,600	155,992	156,916
CORPORATE					
No.	1	–	–	–	–
$ Amount	246,000	–	–	–	–
MANITOBA MEDIATION BOARD					
No.	–	3	2	2	–
$ Amount	–	335,850	122,846	105,000	–
FARM START					
No.	–	1	–	–	–
$ Amount	–	25,000	–	–	–
PART TIME FARMERS					
No.	–	–	–	2	4
$ Amount	–	–	–	111,500	122,000
MAN. INTEREST RATE RELIEF LOANS					
No.	1	–	–	–	–
$ Amount	7,060	–	–	–	–
GUARANTEED LOANS					
– Guaranteed Operating new program Approvals					
No.	–	–	5	17	13
$ Amount	–	–	480,000	1,340,000	353,500
Transfers/Renewals					
No.	–	–	20	46	26
$ Amount	–	–	1,222,000	3,167,000	2,358,500
– Guaranteed Operating to Dec./88 Initial Approvals					
No.	11	6	6	–	–
$ Amount	598,000	239,000	405,000	–	–
Repeat Approvals					
No.	79	65	32	–	–
$ Amount	598,000	4,063,500	1,665,500	–	–
LAND SALES					
No.	5	4	15	18	12
$ Amount	109,033	211,790	616,153	601,585	320,331
TOTAL					
No.	238	167	186	227	167
$ Amount	11,085,742	8,262,720	8,363,073	10,904,161	7,689,814

Office of
the Provincial Auditor

905 – 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

Auditor's Report

To The Legislative Assembly of Manitoba

We have audited the balance sheet of The Manitoba Agricultural Credit Corporation as at March 31, 1991 and the statements of revenue and expenditure and the statements of receipts and disbursements for the year then ended for The Agricultural Credit Corporation Act and Part III of The Fisheries Act. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financal statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In accordance with its accounting policy, as reflected in Note 2 a) iii), the Corporation's unfunded pension liability at March 31, 1991 in the amount of $2,831,011, and the related pension costs have not been reflected in these financial statements. In our opinion this accounting policy is not appropriate, because the obligations of the Corporation are not fully disclosed. If the unfunded pension liability and the associated pension costs had been recorded, the Corporation's liabilities and its deficit each would have been increased by $2,831,011. Also, the Corporation's pension costs for the year ended March 31, 1991 would have been increased by $322,594.

In our opinion, except for the failure to record unfunded pension liabilities and pension costs as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1991 and the results of its operations and its receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements.

Winnipeg, Manitoba
February 28, 1992

F. H. Jackson, C.A.
Provincial Auditor

MACC
MANITOBA AGRICULTURAL CREDIT CORPORATION

Unit 100 — 1525 First Street
BRANDON, Manitoba
R7A 7A1

(204) 726-6850 Fax (204) 726-6849

Manitoba
Agriculture

Management Report

The accompanying financial statements are the responsibility of management and have been prepared in accordance with accounting policies disclosed in Note 2. In management's opinion the financial statements have been properly prepared and of necessity include some amounts based upon management's best estimates and judgments.

As management is responsible for the integrity of the financial statements, management has established systems of internal control to provide assurance that assets are properly accounted for and safeguarded from loss.

R. E. Manns
Chairman of the Board

G. Shaw
General Manager

Exhibit A

The Manitoba Agricultural Credit Corporation

Balance Sheet

as at March 31, 1991

Assets

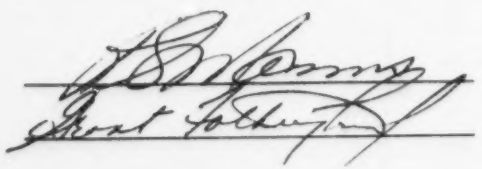
The Agricultural Credit Corporation Act

	1991	1990
Cash (Note 3)	$7,279,495	$9,183,327
Accounts receivable (Note 4)	731,992	1,059,129
Other receivables (Note 9 a)):		
Stocker program advances (Note 5)	3,763,261	2,177,121
Mortgages, chattels and agreements for sale (Note 6)	229,853,430	211,835,874
Promissory notes (Note 7)	169,484	191,599
Security agreements (Note 8)	22,364	170,376
	233,808,539	214,374,970
Real estate (Notes 2 c) and 12)	25,173,379	23,243,145
Unamortized debt discount and expense	30,242	36,608
	267,023,647	247,897,179

Part III of The Fisheries Act

Cash on deposit with the Minister of Finance	264,767	571,525
Prepaid expenses	452	3,440
Loans receivable (Note 9 b))	9,216,600	7,729,354
	9,481,819	8,304,319
	$276,505,466	$256,201,498

APPROVED BY THE BOARD



Director

Director

Liabilities and Deficit

The Agricultural Credit Corporation Act

	1991	1990
Accounts payable:		
The Province of Manitoba	$372,981	$323,980
Other	2,436,035	1,783,833
Provision for losses on guaranteed operating loans (Note 14 b))	1,475,000	1,362,866
Advances from the Province of Manitoba (Note 10 a))	267,052,968	251,847,670
Total Liabilities	271,336,984	255,318,349
Deficit account:		
Balance at beginning of year	(7,421,170)	(13,758,429)
Excess of revenue over expenditure, Exhibit B	3,107,833	6,337,259
Balance at end of year	(4,313,337)	(7,421,170)
	267,023,647	247,987,179

Part III of The Fisheries Act

Accounts payable	54,757	13,405
Advances from the Province of Manitoba (Note 10 b))	9,870,187	8,705,775
Total Liabilities	9,924,944	8,719,180
Deficit account:		
Balance at beginning of year	(414,861)	(398,314)
Excess of revenue over expenditure, Exhibit C	(28,264)	(16,547)
Balance at end of year	(443,125)	(414,861)
	9,481,819	8,304,319
	$276,505,466	$256,201,498

The accompanying notes are an integral part of these financial statements.

Exhibit B

The Manitoba Agricultural Credit Corporation

The Agricultural Credit Corporation Act

Statement of Revenue and Expenditure

for the year ended March 31, 1991

	1991	1990
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$19,015,910	$18,409,854
Promissory notes	68,985	98,994
Stocker program advances	374,266	278,965
Security agreements	16,398	72,074
Cash on deposit with the Minister of Finance	814,512	835,029
	20,290,071	19,694,916
Grant from the Province of Manitoba	11,609,973	15,509,472
Services donated by Province of Manitoba (Note 11)	126,000	110,000
Real estate (Note 12)	1,636,439	1,932,776
Other	26,056	29,316
	33,688,539	37,276,480
Expenditure:		
Administration costs:		
Salaries	$2,252,548	$1,866,792
Bad debts (Note 9 a)	891,742	2,964,701
Guaranteed loan losses	755,068	605,961
Real estate carrying costs (Note 12)	457,752	550,329
Assistance under the Manitoba Mediation Board Program	493,975	430,947
Other administration costs	1,010,103	919,622
	5,861,188	7,338,352
Financing charges:		
Interest on advances from the Province of Manitoba, service charges and amortization of debt discount and expense	24,719,518	23,600,869
	30,580,706	30,939,221
Excess of revenue over expenditure, Exhibit A	$3,107,833	$6,337,259

The accompanying notes are an integral part of these financial statements.

Exhibit C

The Manitoba Agricultural Credit Corporation

Part III of The Fisheries Act

Statement of Revenue and Expenditure

for the year ended March 31, 1991

	1991	1990
Revenue:		
Loan interest	$995,140	$762,875
Grant from the Province of Manitoba	696,964	664,999
	1,692,104	1,427,874
Expenditure:		
Administration costs:		
Salaries	305,120	276,068
Employee benefits	30,629	30,048
Audit fees	6,240	11,460
Bad debts (Note 9 b)	40,381	34,641
Rental of office premises	18,376	17,975
Telephone	13,706	13,350
Travelling	28,026	23,583
Decentralization	6,809	–
Insurance on loans	23,419	–
Other administration costs	23,208	27,042
	495,914	434,167
Financing charges:		
Interest on advances from Province of Manitoba	1,224,454	1,010,254
	1,720,368	1,444,421
Excess of expenditure over revenue, Exhibit A	$28,264	$16,547

The accompanying notes are an integral part of these financial statements.

Exhibit D Page 1

The Manitoba Agricultural Credit Corporation

The Agricultural Credit Corporation Act

Statement of Receipts and Disbursements

for the year ended March 31, 1991

	1991	1990
Receipts:		
Advances from the Province of Manitoba	$34,800,000	$28,000,000
Collections on account of mortgages, chattels and agreements for sale:		
Principal	10,501,458	8,121,937
Interest	21,692,404	25,243,122
Other charges	2,933,119	1,894,072
	35,126,981	35,259,131
Collections on account of promissory notes:		
Principal	50,008	33,878
Interest	147,080	120,999
	197,088	154,877
Collections on account of stocker program advances receivable:		
Principal	3,723,189	3,302,341
Interest	319,668	261,472
	4,042,857	3,563,813
Collections on account of security agreements receivable:		
Principal	158,955	857,686
Interest	31,244	84,270
	190,199	941,956
Collections on account of Manitoba Interest Rate Relief Program (Note 15):		
Principal	503,374	601,763
Interest	260,302	308,724
	763,676	910,487
Interest on cash on deposit with the Minister of Finance	814,512	835,029
Carried forward	$75,935,313	$69,665,293

	1991	1990
Disbursements:		
Mortgages and agreements for sale	$33,395,742	$26,582,331
Promissory notes	47,251	2,170
Stocker program	5,320,259	3,382,430
Land and building purchases	16,092	4,020
Security agreements	3,567	316,579
Sundry charges on account of mortgages	2,667,148	1,613,679
Taxes charges on land leasing	85,165	98,782
Young farmer rebates	2,518,049	2,276,410
Financing charges paid to the Province of Manitoba		
Interest on advances and services charges	24,750,028	23,514,928
Payment to the Province of Manitoba of collections on account of Manitoba Interest Rate Relief Program (Note 15):		
Principal	502,455	776,119
Interest	242,828	282,741
	745,283	1,058,860
Carried forward	$69,548,584	$58,850,189

The Manitoba Agricultural Credit Corporation

The Agricultural Credit Corporation Act

Statement of Receipts and Disbursements

for the year ended March 31, 1991

	1991	1990
Receipts:		
Brought forward	$75,935,313	$69,665,293
Grant from Province of Manitoba	11,609,973	15,509,472
Proceeds from sale of real estate	2,389,473	4,701,734
Collections on account of land leasing	1,702,059	1,640,392
Administration costs recovered under Manitoba Interest Rate Relief Program (Note 15)	38,011	36,103
Miscellaneous	5,455	225,192
Insurance claim proceeds	–	32,800
Total cash receipts	91,680,284	91,810,986
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	9,183,327	4,878,810
	$100,863,611	$96,689,796

	1991	1990
Disbursements:		
Brought forward	$69,548,584	$58,850,189
Repayment of capital advances from the Province of Manitoba	19,594,702	24,498,376
Administration costs	4,394,876	4,151,312
Miscellaneous	45,954	6,592
Total cash disbursements	93,584,116	87,506,469
Cash on hand, in bank and on deposit with the Minister of Finance at end of year	7,279,495	9,183,327
	$100,863,611	$96,689,796

The accompanying notes are an integral part of these financial statements.

Exhibit E

The Manitoba Agricultural Credit Corporation

Part III of The Fisheries Act

Statement of Receipts and Disbursements

for the year ended March 31, 1991

	1991	1990
Receipts:		
Province of Manitoba:		
Advances	$1,200,000	$2,150,000
Grant	661,377	641,640
	1,861,377	2,791,640
Collections on account of loans:		
Principal	2,390,799	3,621,501
Interest	656,280	661,992
	3,047,079	4,283,493
Total cash receipts	4,908,456	7,075,133
Cash on deposit with the Minister of Finance at beginning of year	571,525	23,277
	$5,479,981	$7,098,410
Disbursements:		
Loans	$3,579,597	$5,127,511
Administration costs	411,163	481,250
Interest on advances from the Province of Manitoba	1,224,454	918,124
Total cash disbursements	5,215,214	6,526,885
Cash on deposit with the Minister of Finance at end of year	264,767	571,525
	$5,479,981	$7,098,410

The accompanying notes are an integral part of these financial statements.

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

for the year ended March 31, 1991

1. **Nature of Operations**

The Manitoba Agricultural Credit Corporation is incorporated under a specific statute of the Province of Manitoba, being Chapter A-10 of the Revised Statutes of Manitoba, 1987.

The Corporation carries out the following programs:

a) It provides and administers financial assistance to farmers to assist in the development of farms under the Agricultural Credit Corporation Act;

b) It provides and administers loans to commercial fishermen under the Fisheries Act, being Chapter F-90 of the Revised Statutes of Manitoba, 1987;

and the Corporation accounts separately for each of these programs.

The Corporation is economically dependent on the Government of the Province of Manitoba. In accordance with the Acts under which the Corporation operates, it recovers from Province of Manitoba appropriations amounts of expenditure (less provision for bad debts) which exceed related revenues from the programs it administers.

2. **Significant Accounting Policies**

a) Basis of Accounting

The Corporation operates on the accrual basis of accounting except for the following:

i) Equipment and office furniture are charged to operations in the year of acquisition.

ii) Revenue from real estate is not offset by depreciation on farm buildings and equipment acquired.

iii) In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $2,831,011 at March 31, 1991 (1990 – $2,508,417).

b) Allowances for Doubtful Accounts

The allowances for doubtful accounts relate to accounts receivable, stocker program advances, mortgages, chattels and agreements, promissory notes and security agreements. They are determined on an individual account basis, and represent an estimate of probable losses on the accounts outstanding at year end as shown in note 9. Actual losses on loans and accounts receivable are charged to the allowance when written off by Board resolution. The adjustment of the allowances to the required level is charged to administration expenditure as bad debts.

c) Real Estate

Real estate consists of purchases for the land lease program, foreclosures and quit claims. Land lease program purchases are recorded at cost. Foreclosures and quit claims are recorded at the lower of the foreclosed or quit claim amounts and appraised values at acquisition date.

d) Donated Services

The Government of the Province of Manitoba provides certain administrative servics at no charge to the Corporation. The estimated fair value of the services is recorded in these financial statements as described in note 11.

3. **Cash – Agriculture**

Cash consisted of the following at March 31:

	1991	1990
On hand and in bank	$152,410	$184,930
On deposit with the Minister of Finance	7,127,085	8,998,397
	$7,279,495	$9,183,327

Notes to the Financial Statements

for the year ended March 31, 1991

4. Accounts Receivable – Agriculture

Accounts receivable consisted of the following at March 31:

	1991	1990
Rent	$554,833	$571,714
Sale of real estate	375,397	682,654
Conditional incentive grants and accrued interest	16,883	14,792
Other	3,769	17,536
	950,882	1,286,696
Less: allowance for doubtfull accounts	218,890	227,567
	$731,992	$1,059,129

5. Stocker Program Advances Receivable – Agriculture

Stocker program advances receivable consisted of the following at March 31:

	1991	1990
Renewable interest bearing advances, 14 month term	$3,963,361	$2,378,558
Arrears (Prepayments)	(21,411)	151,088
Accrued interest	178,397	114,996
	4,120,347	2,644,642
Less: allowance for doubtful accounts	357,086	467,521
	$3,763,261	$2,177,121

6. Mortgages, Chattels and Agreements for Sale Receivable – Agriculture

A summary of mortgages, chattels and agreements for sale receivable by years in which the instalments become due is as follows:

Receivable Within:	1991	1990
1 year		
Accrued interest	$11,792,625	$10,444,253
Arrears	9,188,655	10,580,436
Prepayments	(8,129,264)	(7,449,662)
Regular instalments	9,551,772	8,886,818
	22,403,788	22,461,845
2 years – regular instalments	9,371,605	9,279,724
3 years – regular instalments	9,674,869	8,968,487
4 years – regular instalments	10,234,968	9,160,014
5 years – regular instalments	10,771,312	9,605,118
Over 5 years – regular instalments	173,534,388	161,264,918
	235,990,930	220,740,106
Less: allowance for doubtfull accounts	6,137,500	8,904,232
	$229,853,430	$211,835,874

Notes to the Financial Statements

for the year ended March 31, 1991

7. **Promissory Notes Receivable – Agriculture**

Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. This program was terminated in December, 1978. A summary of promissory notes receivable by years in which the instalments become due is as follows:

Receivable Within:	1991	1990
1 year		
Accrued interest	$23,554	$52,626
Arrears	228,318	490,823
Prepayments	(859)	(12,957)
Regular instalments	50,818	58,559
	301,831	589,051
2 years – regular instalments	54,891	58,118
3 years – regular instalments	35,499	61,523
4 years – regular instalments	20,800	41,834
5 years – regular instalments	7,989	22,841
Over 5 years – regular instalments	3,368	13,308
	424,378	786,675
Less: allowance for doubtfull accounts	254,894	595,076
	$169,484	$191,599

8. **Security Agreements Receivable – Agriculture**

Security agreements receivable consist of advances made to farmers who are registered with the Manitoba Beef Commission. These advances are mainly repayable to the Corporation within fourteen months of disbursement. Security agreements consisted of the following at March 31:

	1991	1990
Accrued interest	$9,539	$21,770
Arrears	83,225	219,270
Regular instalments	—	58,981
	92,764	300,021
Less: allowance for doubtfull accounts	70,400	129,645
	$22,364	$170,376

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

for the year ended March 31, 1991

9. Allowances for Doubtful Accounts

Asset account balances are shown net of the following allowances for doubtful accounts (Note 2 b)):

Asset	Allowance March 31/90	Adjustment 1990/91	Accounts Written-Off 1990/91	Allowance March 31/91
a) The Agricultural Credit Corporation Act:				
Accounts receivable	$227,567	$71,867	$80,544	$218,890
Stocker program	467,521	64,405	174,840	357,086
Mortgages, chattels and agreements	8,904,232	828,381	3,595,113	6,137,500
Promissory notes	595,076	(63,696)	276,486	254,894
Security agreements	129,645	(22,848)	36,397	70,400
	$10,324,041	$878,109	$4,163,380	$7,038,770
b) Part III of The Fisheries Act:				
Loans receivable	$443,150	$40,381	$35,588	$447,943

10. Advances from the Province of Manitoba

In accordance with Province of Manitoba practices the Corporation may elect to repay advances or portions of advances prior to maturity. These advances consisted of the following at March 31:

	1991	1990
a) The Agricultural Credit Corporation Act:		
Advances repayable in equal annual blended principal and interest instalments:		
Interest rates range from 7.5% to 13.125%	$258,202,968	$242,997,670
Advances repayable at maturity:		
12.74% interest rate due March 3, 2000	8,850,000	8,850,000
	$267,052,968	$251,847,670
Maturities of principal by fiscal year are as follows:		
1992	$19,744,345	
1993	18,550,690	
1994	13,938,072	
1995	14,370,456	
1996	15,295,194	
1997 through 2021	185,154,211	
	$267,052,968	
b) Part III of The Fisheries Act:		
Advances repayable on demand, interest payable at prime rates	$9,870,187	$8,705,775

11. **Donated Services – Agriculture**
The Province of Manitoba provides the services of legal counsel, computer system programmer/analysts and other miscellaneous administrative services at no charge to the Corporation. The fair value of these services is estimated to be $126,000 (1990 – $110,000) and is included in salaries expenditure and donated services revenue in these financial statements.

12. **Real Estate Revenue – Agriculture**
Real estate revenue consisted of the following at March 31:

	Proceeds	Cost	1991	1990
Sales to lessee	$989,071	$1,055,580	$(66,509)	(18,282)
Sales by public tender	1,038,764	1,033,600	5,164	120,283
	$2,027,835	$2,089,180		
Gain (Loss) on sale of real estate			(61,345)	102,001
Lease revenue			1,596,699	1,674,222
Interest revenue from sales and leases			101,085	156,553
			$1,636,439	$1,932,776

Cost reflected above has been determined in accordance with the valuation method described in Note 2 c). Associated real estate carrying costs have been included in the Statements of Revenue and Expenditure.

13. **Loans Approved but not Disbursed**
These approvals amounted to the following at March 31:

	1991	1990
a) The Agricultural Credit Corporation Act:		
Mortgages, chattels and agreements for sale:		
Direct loans	$5,865,515	$9,108,771
Corporate	407,297	614,434
Refinancing program – regular	137,741	588,803
Part-time farmers	36,414	148,593
Land lease program	602	602
Crown land loans	—	9,150
Mediated loans	37,000	105,000
	6,484,569	10,575,353
Stocker program advances	1,603,527	1,223,063
	$8,088,096	$11,798,416

The Corporate approvals amount includes $315,367 (1990 – $315,447) which represents performance bond guarantees to agricultural marketing agencies.

b) Part III of The Fisheries Act:		
Direct loans	$221,248	$369,105

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

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14. **Contingent Liabilities – Agriculture**

At March 31, 1991, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

a) The Corporation fully guarantees loans to individuals for the purpose of farming. The last of these guarantees was given during the 1982-83 fiscal year. At March 31, 1991, these guaranteed loans amounted to $266,618 (1990 – $325,312). No provision for this contingency has been made in the financial statements since no loans under this program are in default. Any payments arising from a claim under these guarantees will be recorded as an expense in the period in which they occur.

b) Effective April 1, 1983, a Guaranteed Operating Loan program was introduced. Under this program the Corporation guarantees 12½% of the aggregate total guaranteed loans made by each participating lending institution. As of March 31, 1991, the Corporation's contingent liability amounted to $5,436,786 (1990 – $4,263,663). A partial provision for this contingency has been made in the financial statements in the amount of $1,475,000 (1990 – $1,362,866).

Differences between actual losses and those provided for in the current year will be recognized and charged against income in the year that they occur.

15. **Manitoba Interest Rate Relief Program – Agriculture**

The Corporation administers the agricultural portion of the Manitoba Interest Rate Relief Program for the Province of Manitoba. The Province has provided grants and loans to farmers under this program which was initiated during the 1982-83 year. The Corporation monitors compliance with the conditions of the program, collects amounts due and remits them to the Province. Administration charges are applied to recoveries. Outstanding grants and loans amounted to $2,037,103 at March 31, 1991 (1990 – $3,189,410) and are not reflected in these financial statements.

16. **Subsequent Event**

Subsequent to March 31, 1991 the Government of the Province of Manitoba initiated the transfer of responsibility for Part III of The Fisheries Act from the Corporation to The Communities Economic Development Fund.

17. **Comparative Figures**

Certain comparative figures have been reclassified to conform with the 1991 presentation.